

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
BRONSTON WATER ASSOCIATION, INC.)	CASE NO. 95-152

O R D E R

On April 5, 1995, Bronston Water Association, Inc. ("Bronston") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012; 807 KAR 5:068.

On April 26, 1995, the Commission issued an Order denying the purchased water adjustment without prejudice because Bronston's wholesale supplier, the Monticello Utility Commission ("Monticello"), had not filed its new rates with the Commission. Consistent with the Commission's Order in Administrative Case No. 351¹ and KRS 278.160, contracts and rate schedules filed with the Commission shall control the rates and conditions of service of the parties. Changes to those currently on file with the Commission shall be made in accordance with KRS 278.180 and Commission Regulation 807 KAR 5:011. Until such changes are approved by the Commission, the old contracts and rate schedules remain in effect.

¹ Administrative Case No. 351, Submission of Contracts and Rates of Municipal Utilities Providing Wholesale Utility Service to Public Utilities.

On April 28, 1995, Monticello filed with the Commission its amended contract with Bronston, which was accepted by the Commission for service rendered on and after May 29, 1995. On June 7, 1995, Bronston by letter requested that the Commission re-open this case, as Monticello had filed the necessary documents. The Commission granted this request on June 14, 1995, re-opening this case effective June 7.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Bronston purchases water from Monticello.
2. Monticello increased its rates for water sold from \$1.50 per 1,000 gallons to \$1.65 per 1,000 gallons effective May 29, 1995. Bronston proposes to increase the water rates to its customers effective for its July 1995 billing.
3. During the 12 months ending December 31, 1994, Bronston purchased 62,242,385 gallons of water and sold 47,129,206 gallons. The increase in the cost of purchased water is \$9,336.36, resulting in a purchased water adjustment of 20 cents per 1,000 gallons as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, monthly bills to Bronston's customers will increase \$1.00 from \$21.61 to \$22.61, or 5 percent.
4. Bronston's calculations are incorrect in that they did not add the increase of 20 cents per 1,000 gallons to each rate increment. The calculations used in determining the purchased water adjustment amount are shown in Appendix B.

5. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Bronston are hereby denied.

2. The purchased water adjustment of 20 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after July 1, 1995.

3. Within 30 days of the date of this Order, Bronston shall file revised tariffs setting out the rates approved herein.

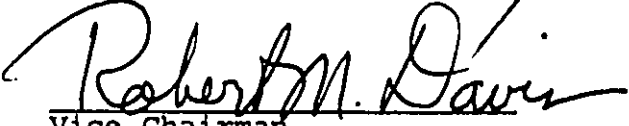
4. Within 20 days of the date of this Order, Bronston shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 29th day of June, 1995.

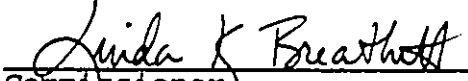
PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-152 DATED JUNE 29, 1995

The following rates and charges are prescribed for the customers in the area served by Bronston Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates:

First	1,500 gallons	\$ 9.06	Minimum Charge
Next	3,500 gallons	3.87	per 1,000 gallons
Next	5,000 gallons	2.92	per 1,000 gallons
Next	5,000 gallons	2.32	per 1,000 gallons
Over	15,000 gallons	1.92	per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-152 DATED JUNE 29, 1995

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	62,242,385 gallons
Water Sold:	47,129,206 gallons

Cost at Changed Rate:

62,242,385 x \$1.65	= \$102,699.94
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LESS

Cost at Base Rate:

62,242,385 x \$1.50	= \$ 93,363.58
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Increase in Cost:	\$ 9,336.36
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\$9,336.36 + 47,129.206 gallons sold =	19.8 cents per 1,000 gallons
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Use: 20 cents per 1,000 gallons.